

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

## ASSEMBLY BILL

**No. 1954**

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**Introduced by Assembly Member Nestande**

February 23, 2012

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An act to amend Section ~~65580~~ of the ~~Government~~ 6158.3 of, and to add Section 6157.6 to, the Business and Professions Code, relating to ~~housing~~ attorneys.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1954, as amended, Nestande. ~~Housing~~. *Legal advertising: class actions.*

*Existing law, the State Bar Act, provides for the licensure and regulation of attorneys by the State Bar of California (the Bar), a public corporation. The State Bar Act also provides for the regulation of legal advertising, as defined, and, among other things, prohibits an advertisement from containing any false, misleading, or deceptive statement.*

*This bill would require an advertisement soliciting plaintiffs for a class action to include a disclosure stating that a plaintiff in a class action may be financially liable for the attorneys' fees of the defendant where the defendant is the prevailing party. The bill would specify that a violation of this section by a member of the Bar is a cause for discipline by the Bar.*

~~Existing law sets forth various legislative findings and declarations relating to housing, including a legislative finding and declaration that the availability of housing is of vital statewide importance.~~

~~This bill would make technical, nonsubstantive changes to these provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 6157.6 is added to the Business and  
2     Professions Code, to read:

3     6157.6. (a) An advertisement soliciting plaintiffs for a class  
4     action shall, in addition to meeting any other requirements imposed  
5     by this article, include a disclosure stating that a plaintiff in a  
6     class action may be financially liable for the attorneys' fees of the  
7     defendant where the defendant is the prevailing party.

8     (b) A violation of this section by a member shall constitute a  
9     cause for discipline by the State Bar.

10    SEC. 2. Section 6158.3 of the Business and Professions Code  
11    is amended to read:

12    6158.3. In addition to any disclosure required by Section  
13    6157.2, Section 6157.3, Section 6157.6, and the Rules of  
14    Professional Conduct, the following disclosure shall appear in  
15    advertising by electronic media. Use of the following disclosure  
16    alone may not rebut any presumption created in Section 6158.1.  
17    If an advertisement in the electronic media conveys a message  
18    portraying a result in a particular case or cases, the advertisement  
19    must state, in either an oral or printed communication, either of  
20    the following disclosures: The advertisement must adequately  
21    disclose the factual and legal circumstances that justify the result  
22    portrayed in the message, including the basis for liability and the  
23    nature of injury or damage sustained, or the advertisement must  
24    state that the result portrayed in the advertisement was dependent  
25    on the facts of that case, and that the results will differ if based on  
26    different facts.

27    ~~SECTION 1. Section 65580 of the Government Code is~~  
28    ~~amended to read:~~

29    ~~65580. The Legislature finds and declares all of the following:~~

30    ~~(a) The availability of housing is of vital statewide importance,~~  
31    ~~and the early attainment of decent housing and a suitable living~~  
32    ~~environment for every Californian, including, but not limited to,~~  
33    ~~farmworkers, is a priority of the highest order.~~

34    ~~(b) The early attainment of this goal requires the cooperative~~  
35    ~~participation of government and the private sector in an effort to~~

1 expand housing opportunities and accommodate the housing needs  
2 of Californians of all economic levels.

3 ~~(e) The provision of housing affordable to low- and~~  
4 ~~moderate-income households requires the cooperation of all levels~~  
5 ~~of government.~~

6 ~~(d) Local and state governments have a responsibility to use the~~  
7 ~~powers vested in them to facilitate the improvement and~~  
8 ~~development of housing to make adequate provision for the housing~~  
9 ~~needs of all economic segments of the community.~~

10 ~~(e) The Legislature recognizes that in carrying out this~~  
11 ~~responsibility, each local government also has the responsibility~~  
12 ~~to consider the economic, environmental, and fiscal factors and~~  
13 ~~community goals set forth in its general plan and to cooperate with~~  
14 ~~other local governments and the state in addressing regional~~  
15 ~~housing needs.~~